of India (GIPSA) after the charter of demands is received from all the Unions/Associations. Some of the Unions/Associations of Insurance Companies have demanded the settlement for a period of five years, while others have demanded for a lesser period.

Approval of CCEA for investment by foreign companies

*510. SHRI SYED AZEEZ PASHA:
SHRIDHARAM PAL SABHARWAL:

Will the Minister of FINANCE be pleased to state:

whether foreign companies Whose original investment exceeded Rs. 600 crores in mid 90s were referred to the Cabinet Committee on Economic Affairs (CCEA) for final approval;

if so, the details thereof;

whether even a small increase in investment or even minor amendment in the letter of approval requires applications by such companies to be referred to CCEA;

whether if these early entrants had instead entered India today in sectors where 100 per cent foreign equity is permitted they would have been entitled to automatic approval; and

whether his Ministry will recommend liberalization of rules on this count to foreign investors who entered India in the early 1990s?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) This matter has already been answered in Lok Sabha Question No. 3309 on 15/4/2008. Policy on foreign investment has been progressively getting liberalized as a result of periodic review. In 1999, Press Note-7 was issued, which required approval of Cabinet Committee on Foreign Investment (CCFI), as it existed men (now it is CCEA), for any foreign investment proposal with original project cost of Rs. 600 crores or more. In such cases, any increase in the percentage of foreign equity where die initial approval was granted by CCFI or CCEA, the subsequent request for increase in the percentage would also require prior approval of FIPB/ Government. However, there would be no need for obtaining such prior approval of FIPB/ Government for any increase in the amount of foreign equity within die percentage of foreign equity already approved if the original project cost was less than Rs. 600 crores. The policy does not make any distinction in the quantum of increase: whether small or large; or in the extent of amendment in the letter of approval: whether minor or major. The stipulated threshold for CCEA approval is original project cost being more than Rs. 600 crores.

As per extant policy, FDI in sectors where automatic route is available, there is no monetary ceiling on the total investment.

FDI policy, including procedures, is reviewed on an ongoing basis through Inter-Ministerial consultations.

Employment of foreign pilots

*511. SHRIN.R GOVINDARAJAR: Will the Minister of CIVIL AVIATION be pleased to state: